

IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF VIRGINIA  
ALEXANDRIA DIVISION

UNITED STATES OF AMERICA	)	Criminal No.
	)	
v.	)	Counts 1-18
	)	26 U.S.C. § 7206(2)
JUAN NELSON LAINES	)	(aiding in the preparation of false tax returns)

INDICTMENT

April 2004 Term - At Alexandria

COUNT ONE

THE GRAND JURY CHARGES THAT:

1. From on or before October 22, 1997 until at least October 26, 2000, Defendant JUAN NELSON LAINES was the owner and operator of Latino Business Services, LLC, doing business as Latino Tax Service, a tax return preparation business located at 4105 North Fairfax Drive, Suite 202, Arlington, Virginia in the Eastern District of Virginia.

2. From on or before October 26, 2000 until at least April 15, 2002, Defendant JUAN NELSON LAINES was the owner and operator of Laticom International, LLC, doing business as Latino Tax Service, a tax return preparation business also located at 4105 North Fairfax Drive, Suite 202, Arlington, Virginia in the Eastern District of Virginia.

3. From on or before April 15, 2000 until at least April 15, 2002, in an effort to maximize his business and income, Defendant JUAN NELSON LAINES knowingly and willfully prepared and provided tax returns for many of his clients that claimed understated business income, overstated and fictitious deductions, and unentitled credits, thereby reducing his clients' tax liability or causing his clients to receive a larger tax refund than the refund to

which they were entitled by law.

4. From on or before April 15, 2000 until at least April 15, 2002, Defendant JUAN NELSON LAINES did willfully aid and assist in, and procure, counsel, and advise in the preparation and presentation to the Internal Revenue Service, of more than 900 United States Individual Income Tax Returns, Forms 1040, which were false and fraudulent as to a material matter in that said returns claimed understated business income, overstated and fictitious deductions, and unentitled credits, resulting in an estimated tax loss to the United States of more than \$1,000,000.

5. On or about April 15, 2000, within the Eastern District of Virginia, Defendant,  
JUAN NELSON LAINES,  
did willfully aid and assist in, and procure, counsel, and advise in the preparation and presentation to the Internal Revenue Service, of a U.S. Individual Income Tax Return, Form 1040, of Orlando Amaya for the calendar year 1999, which was false and fraudulent as to a material matter, in that said return represented that Orlando Amaya was entitled to a deduction in the amount of \$14,262 (Line 36 - Itemized Deductions), whereas, as defendant JUAN NELSON LAINES then and there well knew and believed, the return did not accurately report said deduction.

(In violation of Title 26, United States Code, Section 7206(2).)

COUNT TWO

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1-3 of Count One are realleged and incorporated into Count Two as further describing the defendant's making and subscribing a false return, statement, or other document.

2. On or about April 15, 2001, within the Eastern District of Virginia, Defendant,  
  
JUAN NELSON LAINES,  
  
did willfully aid and assist in, and procure, counsel, and advise in the preparation and presentation to the Internal Revenue Service, of a U.S. Individual Income Tax Return, Form 1040, of Orlando Amaya for the calendar year 2000, which was false and fraudulent as to a material matter, in that said return represented that Orlando Amaya had business income in the amount of \$2,525 (Line 12 - Business Income) and was entitled to a deduction in the amount of \$21,635 (Line 36 - Itemized Deductions) whereas, as defendant JUAN NELSON LAINES then and there well knew and believed, the return did not accurately report said income and deduction.

(In violation of Title 26, United States Code, Section 7206(2).)

### COUNT THREE

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1-3 of Count One are realleged and incorporated into Count Three as further describing the defendant's making and subscribing a false return, statement, or other document.

2. On or about April 15, 2000, within the Eastern District of Virginia, Defendant,  
  
JUAN NELSON LAINES,  
  
did willfully aid and assist in, and procure, counsel, and advise in the preparation and presentation to the Internal Revenue Service, of a U.S. Individual Income Tax Return, Form 1040, of Ruth Amaya for the calendar year 1999, which was false and fraudulent as to a material matter, in that said return's filing status was Head of Household (Line 4 - Filing Status) and claimed a credit in the amount of \$2,214 (Line 59a - Earned Income Credit), whereas, said defendant then and there well knew and believed, Ruth Amaya was not entitled to file her return as a Head of Household and was not entitled to the credit as represented on the return.

(In violation of Title 26, United States Code, Section 7206(2).)

COUNT FOUR

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1-3 of Count One are realleged and incorporated into Count Four as further describing the defendant's making and subscribing a false return, statement, or other document.

2. On or about April 23, 2001, within the Eastern District of Virginia, Defendant,  
  
JUAN NELSON LAINES,  
  
did willfully aid and assist in, and procure, counsel, and advise in the preparation and presentation to the Internal Revenue Service, of a U.S. Individual Income Tax Return, Form 1040, of Ruth Amaya for the calendar year 2000, which was false and fraudulent as to a material matter, in that said return's filing status was Head of Household (Line 4 - Filing Status) and claimed a credit in the amount of \$2,890 (Line 60a - Earned Income Credit), whereas, said defendant then and there well knew and believed, Ruth Amaya was not entitled to file her return as a Head of Household and was not entitled to the credit as represented on the return.

(In violation of Title 26, United States Code, Section 7206(2).)

COUNT FIVE

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1-3 of Count One are realleged and incorporated into Count Five as further describing the defendant's making and subscribing a false return, statement, or other document.

2. On or about April 15, 2002, within the Eastern District of Virginia, Defendant,  
  
JUAN NELSON LAINES,  
  
did willfully aid and assist in, and procure, counsel, and advise in the preparation and presentation to the Internal Revenue Service, of a U.S. Individual Income Tax Return, Form 1040, of Orlando and Ruth Amaya for the calendar year 2001, which was false and fraudulent as to a material matter, in that said return represented that Orlando Amaya had a business loss in the amount of \$8,653 (Line 12 - Business Loss) and was entitled to a deduction in the amount of \$23,628 (Line 36 - Itemized Deductions) and a credit in the amount of \$968 (Line 61a - Earned Income Credit) whereas, as defendant JUAN NELSON LAINES then and there well knew and believed, the return did not accurately report said income, deduction, and credit.

(In violation of Title 26, United States Code, Section 7206(2).)

COUNT SIX

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1-3 of Count One are realleged and incorporated into Count Six as further describing the defendant's making and subscribing a false return, statement, or other document.

2. On or about April 16, 2001, within the Eastern District of Virginia, Defendant,  
  
JUAN NELSON LAINES,  
  
did willfully aid and assist in, and procure, counsel, and advise in the preparation and presentation to the Internal Revenue Service, of a U.S. Individual Income Tax Return, Form 1040, of Abel and Amanda Flores for the calendar year 1997, which was false and fraudulent as to a material matter, in that said return represented that Abel and Amanda Flores was entitled to a deduction in the amount of \$17,034 (Line 35 - Itemized Deductions) whereas, as defendant JUAN NELSON LAINES then and there well knew and believed, the return did not accurately report said deduction.

(In violation of Title 26, United States Code, Section 7206(2).)

COUNT SEVEN

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1-3 of Count One are realleged and incorporated into Count Seven as further describing the defendant's making and subscribing a false return, statement, or other document.

2. On or about April 16, 2001, within the Eastern District of Virginia, Defendant,  
  
JUAN NELSON LAINES,  
  
did willfully aid and assist in, and procure, counsel, and advise in the preparation and presentation to the Internal Revenue Service, of a U.S. Individual Income Tax Return, Form 1040, of Abel Flores and Amanda Chandler for the calendar year 1998, which was false and fraudulent as to a material matter, in that said return represented that Abel Flores and Amanda Chandler were entitled to a deduction in the amount of \$21,250 (Line 36 - Itemized Deductions) whereas, as defendant JUAN NELSON LAINES then and there well knew and believed, the return did not accurately report said deduction.

(In violation of Title 26, United States Code, Section 7206(2).)



COUNT EIGHT

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1-3 of Count One are realleged and incorporated into Count Eight as further describing the defendant's making and subscribing a false return, statement, or other document.

2. On or about April 16, 2001, within the Eastern District of Virginia, Defendant,  
  
JUAN NELSON LAINES,  
  
did willfully aid and assist in, and procure, counsel, and advise in the preparation and presentation to the Internal Revenue Service, of a U.S. Individual Income Tax Return, Form 1040, of Abel Flores and Amanda Chandler for the calendar year 1999, which was false and fraudulent as to a material matter, in that said return represented that Abel Flores and Amanda Chandler were entitled to a deduction in the amount of \$17,013 (Line 36 - Itemized Deductions) whereas, as defendant JUAN NELSON LAINES then and there well knew and believed, the return did not accurately report said deduction.

(In violation of Title 26, United States Code, Section 7206(2).)

COUNT NINE

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1-3 of Count One are realleged and incorporated into Count Nine as further describing the defendant's making and subscribing a false return, statement, or other document.

2. On or about April 15, 2001, within the Eastern District of Virginia, Defendant,  
  
JUAN NELSON LAINES,  
  
did willfully aid and assist in, and procure, counsel, and advise in the preparation and presentation to the Internal Revenue Service, of a U.S. Individual Income Tax Return, Form 1040, of Abel Flores and Amanda Chandler for the calendar year 2000, which was false and fraudulent as to a material matter, in that said return represented that Abel Flores and Amanda Chandler were entitled to a deduction in the amount of \$22,006 (Line 36 - Itemized Deductions) whereas, as defendant JUAN NELSON LAINES then and there well knew and believed, the return did not accurately report said deduction.

(In violation of Title 26, United States Code, Section 7206(2).)

COUNT TEN

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1-3 of Count One are realleged and incorporated into Count Ten as further describing the defendant's making and subscribing a false return, statement, or other document.

2. On or about April 15, 2000, within the Eastern District of Virginia, Defendant,  
  
JUAN NELSON LAINES,  
  
did willfully aid and assist in, and procure, counsel, and advise in the preparation and presentation to the Internal Revenue Service, of a U.S. Individual Income Tax Return, Form 1040, of Mohamed Hirse for the calendar year 1999, which was false and fraudulent as to a material matter, in that said return represented that Mohamed Hirse had a business loss in the amount of \$19,683 (Line 12 - Business Loss) and was entitled to a deduction in the amount of \$21,857 (Line 36 - Itemized Deductions) whereas, as defendant JUAN NELSON LAINES then and there well knew and believed, the return did not accurately report said loss and deduction.

(In violation of Title 26, United States Code, Section 7206(2).)

COUNT ELEVEN

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1-3 of Count One are realleged and incorporated into Count Eleven as further describing the defendant's making and subscribing a false return, statement, or other document.

2. On or about April 15, 2001, within the Eastern District of Virginia, Defendant,  
  
JUAN NELSON LAINES,  
  
did willfully aid and assist in, and procure, counsel, and advise in the preparation and presentation to the Internal Revenue Service, of a U.S. Individual Income Tax Return, Form 1040, of Mohamed Hirse for the calendar year 2000, which was false and fraudulent as to a material matter, in that said return represented that Mohamed Hirse had a business loss in the amount of \$24,984 (Line 12 - Business Loss) and was entitled to a deduction in the amount of \$24,711 (Line 36 - Itemized Deductions) whereas, as defendant JUAN NELSON LAINES then and there well knew and believed, the return did not accurately report said loss and deduction.

(In violation of Title 26, United States Code, Section 7206(2).)

COUNT TWELVE

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1-3 of Count One are realleged and incorporated into Count Twelve as further describing the defendant's making and subscribing a false return, statement, or other document.

2. On or about April 15, 2002, within the Eastern District of Virginia, Defendant,  
  
JUAN NELSON LAINES,  
  
did willfully aid and assist in, and procure, counsel, and advise in the preparation and presentation to the Internal Revenue Service, of a U.S. Individual Income Tax Return, Form 1040, of Mohamed Hirse for the calendar year 2001, which was false and fraudulent as to a material matter, in that said return represented that Mohamed Hirse had a business loss in the amount of \$51,034 (Line 12 - Business Loss) and was entitled to a deduction in the amount of \$25,205 (Line 36 - Itemized Deductions) whereas, as defendant JUAN NELSON LAINES then and there well knew and believed, the return did not accurately report said loss and deduction.

(In violation of Title 26, United States Code, Section 7206(2).)

COUNT THIRTEEN

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1-3 of Count One are realleged and incorporated into Count Thirteen as further describing the defendant's making and subscribing a false return, statement, or other document.

2. On or about April 15, 2001, within the Eastern District of Virginia, Defendant,  
  
JUAN NELSON LAINES,  
  
did willfully aid and assist in, and procure, counsel, and advise in the preparation and presentation to the Internal Revenue Service, of a U.S. Individual Income Tax Return, Form 1040, of Jose and Maria Lara for the calendar year 2000, which was false and fraudulent as to a material matter, in that said return represented that Jose and Maria Lara were entitled to a deduction in the amount of \$36,270 (Line 36 - Itemized Deductions), whereas, as defendant JUAN NELSON LAINES then and there well knew and believed, the return did not accurately report said deduction.

(In violation of Title 26, United States Code, Section 7206(2).)

COUNT FOURTEEN

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1-3 of Count One are realleged and incorporated into Count Fourteen as further describing the defendant's making and subscribing a false return, statement, or other document.

2. On or about April 15, 2002, within the Eastern District of Virginia, Defendant,  
  
JUAN NELSON LAINES,  
  
did willfully aid and assist in, and procure, counsel, and advise in the preparation and presentation to the Internal Revenue Service, of a U.S. Individual Income Tax Return, Form 1040, of Jose and Maria Lara for the calendar year 2001, which was false and fraudulent as to a material matter, in that said return represented that Jose and Maria Lara were entitled to a deduction in the amount of \$38,059 (Line 36 - Itemized Deductions), whereas, as defendant JUAN NELSON LAINES then and there well knew and believed, the return did not accurately report said deduction.

(In violation of Title 26, United States Code, Section 7206(2).)

COUNT FIFTEEN

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1-3 of Count One are realleged and incorporated into Count Fifteen as further describing the defendant's making and subscribing a false return, statement, or other document.

2. On or about April 15, 2000, within the Eastern District of Virginia, Defendant,  
  
JUAN NELSON LAINES,  
  
did willfully aid and assist in, and procure, counsel, and advise in the preparation and presentation to the Internal Revenue Service, of a U.S. Individual Income Tax Return, Form 1040, of Angelita Perez Ortiz for the calendar year 1999, which was false and fraudulent as to a material matter, in that said return represented that Angelita Perez Ortiz was entitled to a deduction in the amount of \$17,905 (Line 36 - Itemized Deductions), whereas, as defendant JUAN NELSON LAINES then and there well knew and believed, the return did not accurately report said deduction.

(In violation of Title 26, United States Code, Section 7206(2).)



COUNT SIXTEEN

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1-3 of Count One are realleged and incorporated into Count Sixteen as further describing the defendant's making and subscribing a false return, statement, or other document.

2. On or about April 15, 2001, within the Eastern District of Virginia, Defendant,  
  
JUAN NELSON LAINES,  
  
did willfully aid and assist in, and procure, counsel, and advise in the preparation and presentation to the Internal Revenue Service, of a U.S. Individual Income Tax Return, Form 1040, of Angelita Perez Ortiz for the calendar year 2000, which was false and fraudulent as to a material matter, in that said return represented that Angelita Perez Ortiz was entitled to a deduction in the amount of \$28,999 (Line 36 - Itemized Deductions), whereas, as defendant JUAN NELSON LAINES then and there well knew and believed, the return did not accurately report said deduction.

(In violation of Title 26, United States Code, Section 7206(2).)

COUNT SEVENTEEN

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1-3 of Count One are realleged and incorporated into Count Seventeen as further describing the defendant's making and subscribing a false return, statement, or other document.

2. On or about April 15, 2002, within the Eastern District of Virginia, Defendant,  
  
JUAN NELSON LAINES,  
  
did willfully aid and assist in, and procure, counsel, and advise in the preparation and presentation to the Internal Revenue Service, of a U.S. Individual Income Tax Return, Form 1040, of Angelita Perez Ortiz for the calendar year 2001, which was false and fraudulent as to a material matter, in that said return represented that Angelita Perez Ortiz was entitled to a deduction in the amount of \$25,952 (Line 36 - Itemized Deductions), whereas, as defendant JUAN NELSON LAINES then and there well knew and believed, the return did not accurately report said deduction.

(In violation of Title 26, United States Code, Section 7206(2).)

COUNT EIGHTEEN

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1-3 of Count One are realleged and incorporated into Count Eighteen as further describing the defendant's making and subscribing a false return, statement, or other document.

2. On or about April 15, 2002, within the Eastern District of Virginia, Defendant,  
  
JUAN NELSON LAINES,  
  
did willfully aid and assist in, and procure, counsel, and advise in the preparation and presentation to the Internal Revenue Service, of a U.S. Individual Income Tax Return, Form 1040, of Roger and Veronica Yager for the calendar year 2001, which was false and fraudulent as to a material matter, in that said return represented that Roger and Veronica Yager had a business loss in the amount of \$38,327 (Line 12 - Business Loss) and was entitled to a deduction in the amount of \$71,117 (Line 36 - Itemized Deductions) whereas, as defendant JUAN NELSON LAINES then and there well knew and believed, the return did not accurately report said loss and deduction.

(In violation of Title 26, United States Code, Section 7206(2).)

A TRUE BILL

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FOREPERSON

Paul J. McNulty  
United States Attorney

By:

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Kevin V. Di Gregory  
Assistant United States Attorney  
Acting Chief, Criminal Division

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Michael J. Elston  
Andrew Lelling  
Assistant United States Attorneys

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Jeffrey A. Neiman  
Trial Attorney  
United States Department of Justice  
Tax Division